and effective Public Sector. The NCMP also pledges to devolve full managerial and commercial autonomy to successful, profit making companies operating in a competitive environment. The Government in August, 2005 has already delegated enhanced powers to the Boards of Navratna, Miniratna and other profit making Central Public Sector Enterprises (CPSEs) in the areas of capital expenditure, investment in joint ventures/subsidiaries, human resources management, merger and acquisition, approval of foreign tours of Functional Directors, etc.

(c) and (d) The enhancement of delegated powers would enable Boards of these CPSEs to take quick decisions. It would also enable them to compete in domestic as well as foreign markets.

Loss-making Public Sector Undertakings

4384. SHRIMATI MOHSINA KIDWAI:
SHRI VIJAY J. DARDA:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the number of Public Sector Undertakings the Central Government is looking after and out of these how many are making profits and incurring losses during the last three years;

(b) the reasons for the losses being incurred and the policy of the Government regarding converting them into profit making or self-sustaining units;

(c) whether internally accepted three-phased strategy (i) long-term objectives (i.e. Mission and Vision), (ii) proven business policy, and (iii) judicial allocation of resources (human, financial and material) has been tried in loss-making PSUs; and

(d) if so, details thereof?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) The information is given in the Statement (*See* below).

(b) The reasons for losses are manifold and interprise specific. However, some common problems faced by the sick and loss making Central Public Sector Enterprises (CPSEs) include obsolete plant and machinery, outdated technology, resource crunch, low capacity utilization, interest burden, stiff competition, weak marketing, surplus manpower etc.

The National Common Minimum Programme, *inter alia,* stipulates that while every effort will be made to modernizde and restructure sick public sector companies and revive sick industry, chronically loss making companies will either be sold-off, or closed, after all workers have got their legitimate dues and compensation. The private industry will be inducted to turnaround compaies that have potential for revival.

(c) and (d) A Board for Reconstruction of Public Sector Enterprises (BRPSE) has been set up in December, 2004 to examine, *inter alia,* the cases of sick/loss making Central Public Sector Enterprises (CPSEs) referred to it by the concerned administrative Ministries/Departments and make suitable recomendations to the Government. While examining the cases of sick and loss making CPSEs the BRPSE take into consideration various aspects including those relating to objectives, business policy, resources etc. The Board has made recommendations in respect of 41 cases of CPSEs for revival and two for closure till 31.3.2007.

Statement

Details of operating CPSEs. During the last three years

Year	Numbers of CPSEs				
	Total operating CPSEs	Profit-making	Loss-making	Neither profit nor loss	Not furnished information
2003-04	230	139	89	2	nil
2004-05	227	143	81	1	2
2005-06	225	157	58	nil	10